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Defendant Walsh Securities, Inc.

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

WALSH SECURITIES, INC.,

: Civil Action No. CV 97-3496 (WGB)

Plaintiff,

: Hon. William G. Bassler

VS.

CRISTO REALTY MANAGEMENT, LTD., a/k/a G.J.L. LIMITED, DEK HOMES OF NEW JERSEY, INC., OAKWOOD PROPERTIES, INC., NATIONAL HOME FUNDING, INC., CAPITAL ASSETS PROPERTY MANAGEMENT & INVESTMENT CO., INC., CAPITAL ASSETS PROPERTY MANAGEMENT, L.L.C., WILLIAM KANE, GARY GRIESER, ROBERT SKOWRENSKI, II, RICHARD CALANNI, RICHARD DiBENEDETTO, JAMES R. BROWN, THOMAS BRODO, ROLAND PIERSON, STANLEY YACKER, ESQ., MICHAEL ALFIERI, ESQ., RICHARD PEPSNY, ESQ., ANTHONY M. CICALEASE, ESQ., LAWRENCE CUZZI, ANTHONY D'APOLITO, DAP CONSULTING, INC., COMMONWEALTH LAND TITLE INSURANCE CO., NATIONS TITLE INSURANCE OF NEW YORK, INC., FIDELITY NATIONAL TITLE INSURANCE CO. OF NEW YORK, COASTAL TITLE AGENCY, STEWART TITLE GUARANTY COMPANY, IRENE DIFEO, DONNA PEPSNY, WEICHERT REALTORS, AND VECCHIO REALTY, INC. D/B/A MURPHY REALTY BETTER HOMES and GARDENS,

: ANSWER AND AFFIRMATIVE
: DEFENSES OF WALSH
: SECURITIES TO THE COUNTERCLAIM
: OF DEFENDANTS
: NATIONAL HOME FUNDING,
: INC. AND ROBERT
: SKOWRENSKI, II.

Defendants.

ANSWER TO DEFENDANTS' COUNTERCLAIM

Plaintiff/Counterclaim Defendant, Walsh Securities, Inc. ("Walsh"), having its principal place of business at 4 Campus Drive, Parsippany, New Jersey, by way of answer to the Counterclaim of Defendants National Home Funding, Inc. ("NHF") and Robert Skowrenski, II, ("Skowrenski") says:

1. Walsh lacks knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 1 and leaves Defendants to their proofs.

2. Walsh admits that Anthony D'Apolito was an employee of Walsh but lacks knowledge or information sufficient to form a belief as to the remainder of the allegations of paragraph 2 and leaves Defendants to their proofs.

3. Denied as to Walsh. After reasonable investigation, Walsh does not have knowledge of the intentions of Defendants Greiser and Kane, nor D'Apolito, and leaves Defendants to their proofs.

4. Denied.

5. Denied.

6. Denied as to Walsh.

7. Denied as to Walsh. Walsh does not have knowledge of the practices of Defendants NHF and Skowrenski and leaves the Defendants to their proofs.

8. Denied.

AFFIRMATIVE DEFENSES TO DEFENDANTS' COUNTERCLAIM

FIRST AFFIRMATIVE DEFENSE

Defendants' Counterclaim fails to state a claim upon which relief can be granted.

SECOND AFFIRMATIVE DEFENSE

Insofar as Defendants' purport to state claims for misrepresentations and fraud, the allegations in Defendants' Counterclaim lack the particularity required by Fed. R. Civ. P. 9(b).

THIRD AFFIRMATIVE DEFENSE

Defendants' Counterclaim is barred, in whole or in part, by the applicable statute of limitations.

FOURTH AFFIRMATIVE DEFENSE

Defendants' Counterclaim is barred, in whole or in part, by the equitable doctrine of laches.

FIFTH AFFIRMATIVE DEFENSE

Defendants' Counterclaim is barred, in whole or in part, by the equitable doctrine of waiver.

SIXTH AFFIRMATIVE DEFENSE

Defendants' Counterclaim is barred, in whole or in part, by the equitable doctrine of estoppel.

SEVENTH AFFIRMATIVE DEFENSE

Defendants' Counterclaim is barred, in whole or in part, by the equitable doctrine of unclean hands.

EIGHTH AFFIRMATIVE DEFENSE

Defendants have no authority or standing to bring this suit.

NINTH AFFIRMATIVE DEFENSE

To the extent that Defendants have sustained any injuries, such injuries, if any, were causes, in whole or in part, by the acts or omissions of others for whose conduct Walsh is not responsible.

TENTH AFFIRMATIVE DEFENSE

Walsh has no knowledge of, and was not a culpable participant in, any violations of any laws.

ELEVENTH AFFIRMATIVE DEFENSE

Walsh acted in good faith and did not directly or indirectly induce the act or acts complained of by the Defendants.

TWELFTH AFFIRMATIVE DEFENSE

Walsh violated no legal duty owed to Defendants.

THIRTEENTH AFFIRMATIVE DEFENSE

Walsh's conduct is not the cause of any injury or damages allegedly suffered by Defendants.

FOURTEENTH AFFIRMATIVE DEFENSE

Defendants were contributorily negligent, and such negligence was the proximate, efficient, and contributing cause of their damages.

FIFTEENTH AFFIRMATIVE DEFENSE

Walsh hereby gives notice that it intends to rely upon any other defense that may become available or appear during the discovery proceedings in this case and hereby

reserves its right to amend its answer to assert other related defenses as may become available.

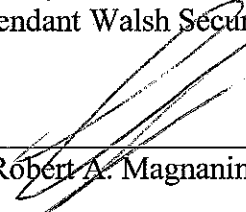
SIXTEENTH AFFIRMATIVE DEFENSE

Walsh did not breach the covenant and duty of good faith and fair dealing because Defendants National Home Funding, Inc. and Robert Skowrenski, II chose and/or retained the Defendant Appraisers, Closing Attorneys and employed and/or supervised William J. Kane and paid them money for their fraudulent services. Upon information and belief, Defendant National Home Funding, Inc. made over \$1,000,000.00 from the sale of the fraudulent mortgages to Walsh Securities.

WHEREFORE, Plaintiff Walsh Securities, Inc. seeks judgment dismissing the counterclaim of Defendants National Home Funding, Inc. and Robert Skowrenski, II, against Walsh and for interest, costs, attorney fees and other relief this Court deems to be just and equitable.


Dated: May 5, 2005

BOIES, SCHILLER & FLEXNER LLP
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Attorneys for Plaintiff/Counterclaim
Defendant Walsh Securities, Inc.

By: 
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CERTIFICATE OF SERVICE

I, Rella Desimone, am a legal secretary employed by Boies, Schiller & Flexner, attorneys for Plaintiff/Counterclaim Defendant Walsh Securities, Inc. in this matter. On May 5, 2005, I caused Plaintiff/Counterclaim Defendant Walsh Securities, Inc.'s Answer and Affirmative Defenses to the Counterclaim of Defendants Robert Skowrenski, II and National Home Funding, Inc., to be served via first class, prepaid mail, upon the persons named in the attached Counsel List.


Rella Desimone

Dated: May 5, 2005

WALSH SECURITIES V. CRISTO MANAGEMENT LTD.
Civil Action CV 97-3496 (WGB)

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